

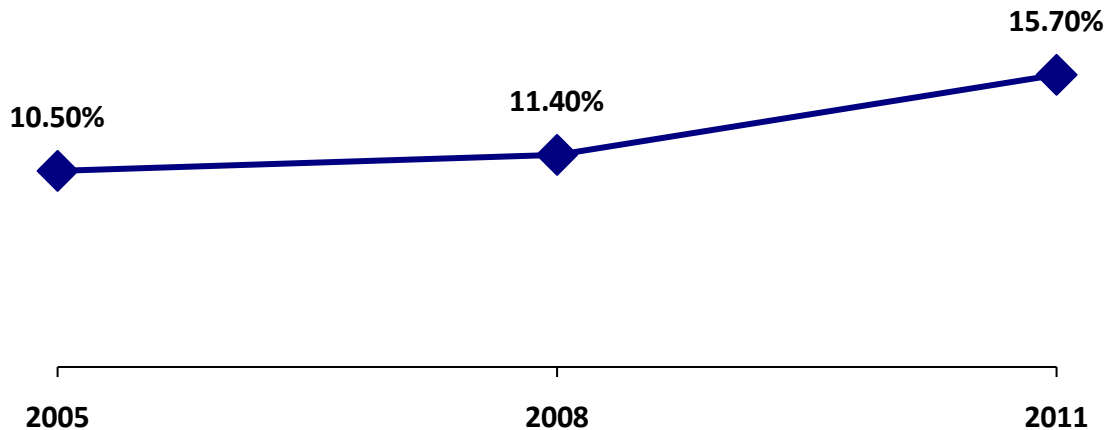
Dental Intelligence

A Close-up on Voluntary Dental Benefits

According to the *2011 NADP/DDPA Joint Dental Benefits Report on Enrollment*, only one percent of the US residents with dental insurance have their benefits through an individual policy. But that does not mean that purchasing dental coverage is not an individual decision. With employers' benefit budgets accommodating continued increases in health care costs, many employers turn to voluntary coverage to provide highly valued dental coverage to their employees at no cost to the employer.

Accordingly, significant growth is expected in employer offerings of voluntary coverage—particularly with the implementation of health care reform's requirement for small employers and individuals to include children's dental.

Percent of Employers Offering Voluntary Dental



As you can see, voluntary coverage is becoming an important part of benefit packages, one that allows companies to keep costs in line with their cash flow and still provide access to coverage.

How are employers using voluntary?

For the most part, it's a given that employers want to offer dental coverage. NADP's 2011 *Group Purchaser Study* found significant increases between 2008 and 2011 in employers of all sizes offering dental benefits. Employers are responding to their employees who want dental coverage. The *Group Purchaser Study* found that employers offer dental coverage because 1) their employees ask for it, 2) they understand the connections between oral health and overall health and 3) it is affordable. Voluntary coverage is a great way to make dental insurance affordable to the employer while meeting employee demand.



Dental Intelligence

Here are a few examples of how voluntary benefits are being used, including dental:

- Restructuring an employer-paid benefit to include an employee buy-up option
- Replacing one of their employer-paid benefits with voluntary
- Adding voluntary to complement existing employer-paid benefits

What is the future of voluntary dental?

Employers who understand voluntary benefits are enhancing their benefit package, managing costs and helping protect employees — increases in voluntary business the last few years tell us so.

It is important the voluntary dental benefits you offer include choices since employees have different needs. A choice of benefit levels allows the employee to select the coverage to best meet their needs and they can afford. Today dental PPOs are the choice of 75% of Americans with dental coverage, but other options have appeal for specific populations.

1. Dental HMOs provide the lowest premium and predictable out of pocket costs for those that don't mind a limited network of dentists.
2. Dental PPOs expand the choice of dentists in the network, adding out-of-network options at higher out of pocket costs.
3. Dental indemnity has the highest premium with no network restrictions
4. Discount dental provides discounts on care including procedures not typically covered by the dental insurance products above—like cosmetic procedures—but the full discounted price is paid out-of-pocket by the consumer.

Economic changes, new health care laws and the trend toward adding voluntary coverage mean your clients need you now more than ever. They need your help to offer the right benefits for their company and employees.

The National Association of Dental Plans conducts annual research on the dental benefits market which is highlighted in several short summary reports that can give you a quick overview for your market. The annual State of the Dental Benefits Market provides a national overview of all aspects of the dental benefits market. Individual State Reports provide a snapshot of each state while the new Dental Carrier Benchmark Report provides top line benchmarks in many key aspects of dental benefits in 2 pages of charts. Find these publications on nadp.org.